

# HOUSE BILL REPORT

## HB 1683

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### As Passed Legislature

**Title:** An act relating to authorizing recognition of institutions of postsecondary study in order to retain federal financial aid eligibility.

**Brief Description:** Authorizing recognition of institutions of postsecondary study in order to retain federal financial aid eligibility.

**Sponsors:** Representatives Reykdal, Haler and Van De Wege.

#### **Brief History:**

##### **Committee Activity:**

Higher Education: 2/13/13, 2/19/13 [DP].

##### **Floor Activity:**

Passed House: 3/13/13, 90-8.

Passed Senate: 4/17/13, 48-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Requires cosmetology schools to be recognized as institutions of postsecondary education under certain conditions.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 19 members: Representatives Seaquist, Chair; Pollet, Vice Chair; Haler, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Fagan, Hansen, Hargrove, Johnson, Magendanz, Pedersen, Reykdal, Riccelli, Sawyer, Scott, Sells, Smith, Tarleton, Walsh and Wylie.

**Staff:** Madeleine Thompson (786-7304).

#### **Background:**

##### Eligibility for Federal Financial Aid.

Under Title IV Federal Student Aid of the Higher Education Act of 1965 (reauthorized in 2008) students in higher education may apply for federal financial aid, primarily Pell grants

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and Stafford loans. In order to participate in Title IV Federal Student Aid, postsecondary institutions are required to meet state oversight and approval requirements, and report cohort loan default rates, among other requirements. In 2011 the U.S. Department of Education issued new minimum requirements for public and for-profit postsecondary institutions to be considered legally authorized by a state. Those requirements are due to be enforced by July 1, 2013.

#### Cosmetology Regulations.

The Department of Licensing (DOL) regulates the practices of cosmetology, barbering, manicuring, and esthetics. The Department also licenses the type of business within which the practice occurs including salon/shops, booth-renters, and all schools that conduct training. Individuals training for a license in cosmetology, barbering, esthetics, or manicuring may attend a school licensed by the DOL, or receive training via an apprenticeship program approved by the Washington State Apprenticeship and Training Council.

The curriculum for a school must include at least the following hours:

- 1,600 hours for a cosmetologist;
- 1,000 hours for a barber;
- 600 hours for a manicurist;
- 600 hours for an esthetician; and
- 500 hours for an instructor-training.

The curriculum for an apprenticeship program must include at least the following hours:

- 2,000 hours for a cosmetologist;
- 1,200 hours for a barber;
- 800 hours for a manicurist; and
- 800 hours for an esthetician.

#### **Summary of Bill:**

The Legislature recognizes that federal financial aid is a major avenue for overcoming financial barriers to higher education for many students and that statutes must be adjusted to ensure certain schools are defined as institutions of postsecondary study for the purposes of maintaining eligibility for financial aid. Cosmetology schools must be recognized as institutions of postsecondary education if they meet certain conditions as follows:

1. the school only admits students who have earned a recognized high school diploma or the equivalent of a recognized high school diploma, or who are beyond the age of compulsory education in Washington; and
2. the school is licensed by name by the DOL to offer one or more training programs beyond the secondary level.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Most institutions of higher education in Washington are accredited regionally but a few, such as schools of cosmetology, are licensed by the DOL. With recent changes in federal regulations, this bill helps to keep those schools and students from slipping through the cracks and becoming ineligible for aid, which their students currently receive. This came about due to a federal regulation issued by the U.S. Department of Education. This language has been given the green light, the first in the nation, by the U.S. Department of Education as meeting the regulation that requires that the state regulatory authority designate a school as a postsecondary institution in order to be eligible for Title IV federal financial aid. If this proposal does not go forward, 28 schools will become ineligible for Title IV federal financial aid, for which they are currently eligible.

(Opposed) None.

**Persons Testifying:** Representative Reykdal, prime sponsor; Gena Wikstrom, Northwest Career Colleges; and Jerry Ahern, Gene Juarez Academies.

**Persons Signed In To Testify But Not Testifying:** None.